

Opening Statement Chairman John Shimkus
Hearing on “H.R. 4345, The Domestic Fuels Protection Act of 2012”
Subcommittee on Environment and the Economy
April 19, 2012

(As Prepared for Delivery)

Today the subcommittee will hold a order on H.R. 4345, the Domestic Fuels Protection Act of 2012. I am proud to once again be a lead sponsor of this bi-partisan legislation with my colleague on the committee Mr. Ross. This Congress I am also pleased to welcome Congressman Sullivan our vice-chairman on the Energy Subcommittee as well as Colin Peterson the Ranking member of the Agriculture Committee as original co-sponsors.

In some shape or form everyone is affected by increased gas prices. Whether it is the seasonal price spikes we are now starting to see across the country or the overall higher prices at the pump the last few years, Americans are looking for ways to bring down those costs and break our dependence from hostile sources of foreign oil.

Some see the path forward through renewable fuels, like ethanol and bio-diesel, which are providing both lower prices at the pump and less dependence on oil. Now we are also waiting for next generation Cellulosic ethanol and biofuel products to come online and create even more renewable fuel right here at home. Others recognize promise in our natural gas reservoirs throughout the country. The potential to convert this abundant natural resource into liquid natural gas for transportation fuel could provide yet another significant and inexpensive alternative in the market place.

I support an open fuel standard that would look to break our mandate on gasoline by requiring cars and light-duty trucks to operate on a variety of different fuels. This will allow all fuels to compete in the market and from there consumers can choose the fuel for their vehicle based on factors important to them such as price and miles per gallon.

However, the legislation we are discussing today is not about these or any one fuel option at all. H.R. 4345 would apply to any new fuel or fuel additive approved and registered by the EPA. H.R. 4345 is needed because EPA approved up to 15 percent ethanol blends only in vehicles whose model year is 2001 or newer. The practical result of EPA’s action has been that a morass of pending legal liability and uncertainty have frightened the market and complicated the supply chains ability to provide a means of delivery for new fuels.

We will hear today from a retailer community prepared to comply with regulations to legally distribute fuel, yet still be subject to lawsuits if a consumer misfuels their own vehicle. Similar uncertainty exists for others parties in the supply chain and they are here to discuss whether this serves as an unavoidable barrier to entry.

We need to find out what the specific problems are so the final product of this bill can address them in the most appropriate and targeted way. The intent of H.R. 4345 is to ensure any party that is compliant with EPA fuel regulations is not subject to litigation based on those merits alone.

As a main sponsor of the bill I can assure you H.R. 4345 is not an attempt to allow parties to abdicate any of their responsibility. I do not intent this bill to relieve parties who act negligently from liability in court. Nothing in the bill would remove responsibility for environmental cleanup under RCRA, Superfund, or any other federal or state law. If an underground storage tank containing any fuel were to have a leak, the owner or operator will be liable the same way they are today. H.R. 4345 simply clarifies that just having a registered fuel in a tank EPA has determined compatible does not automatically put you in violation of the law.

The purpose of a legislative hearing is to hear comments on the bill, including suggestions on how to improve it. One of our witnesses suggested that H.R. 4345, as introduced, somehow blocks legal actions arising from mishandling of MTBE going back to the days when MTBE was used as an oxygenate instead of ethanol. That is certainly not the intent of the legislation. My colleague and a member of this Subcommittee Congressman Charlie Bass has spoken to me personally on this issue. I appreciate his commitment to work with me moving forward to ensure H.R. 4345 does not infringe upon ongoing litigation and cleanup in his state involving MTBE.

H.R. 4345 will allow a critical path forward now and into the future to ensure consumer access to new transportation fuels competing in the market to drive costs down. I want to thank are witnesses for being here today to give their perspective on the bill. I look forward to their testimony and willingness to answer questions to help us as we work to move this legislation forward.